



Kentucky Retirement Systems

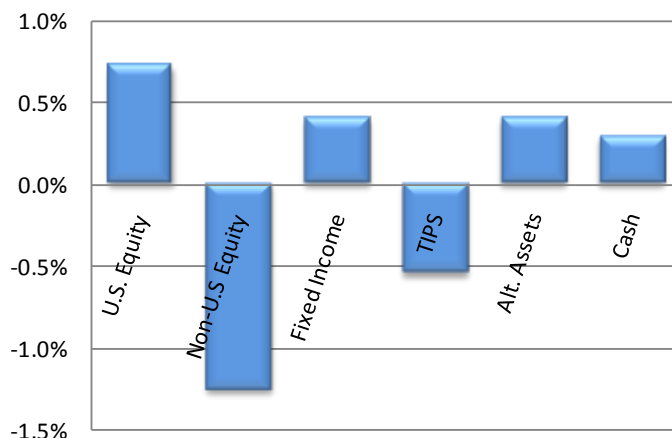
Quarterly Investment Update

Pension Fund
December 31, 2008

PENSION	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
Total Fund						
KRS	-12.75%	-19.47%	-23.91%	-2.59%	1.76%	2.74%
Blended Index	-12.96%	-19.98%	-24.34%	-3.06%	1.28%	2.48%
Equities						
Domestic Equities	-21.91%	-26.97%	-34.87%	-7.33%	-1.40%	0.14%
Performance Benchmark	-22.77%	-28.46%	-36.35%	-8.16%	-1.62%	-0.24%
Non-U.S. Equities	-18.10%	-34.43%	-41.09%	-6.71%	1.82%	-2.39%
Performance Benchmark	-20.66%	-37.44%	-44.13%	-7.51%	1.60%	-1.91%
Total Equities	-20.44%	-29.71%	-37.12%	-7.26%	-0.55%	0.33%
Performance Benchmark	-21.89%	-32.08%	-39.45%	-8.28%	-0.92%	-0.15%
Fixed Income						
Core Fixed Income	-0.82%	-3.14%	-3.38%	2.30%	2.75%	4.63%
Performance Benchmark	4.57%	4.07%	5.24%	5.42%	4.58%	5.59%
TIPS	-1.95%	-5.40%	-0.58%	3.70%	4.48%	6.36%
Performance Benchmark	-3.48%	-6.89%	-2.35%	3.06%	4.07%	6.13%
Total Fixed Income	-1.34%	-4.09%	-2.64%	2.72%	3.25%	5.03%
Performance Benchmark	2.26%	0.88%	3.10%	4.81%	4.46%	5.73%
Alternatives						
KRS	-12.81%	-13.62%	-13.39%	3.57%	10.70%	12.84%
Performance Benchmark	-20.55%	-27.33%	-32.59%	-7.18%	-1.38%	3.62%
Cash						
KRS	0.13%	0.73%	2.84%	4.67%	4.16%	4.61%
Performance Benchmark	0.25%	0.68%	1.80%	3.77%	3.10%	3.30%

Actual V. Target Deviation
Pension as of 12/31/2008

	\$'s (millions)	Actual %	Target %
U.S. Equity	\$3,075	30.7%	30.0%
Non-U.S. Equity	1,876	18.7%	20.0%
Fixed Income	2,542	25.4%	25.0%
TIPS	946	9.5%	10.0%
Alt. Assets	1,241	12.4%	12.0%
Cash	329	3.3%	3.0%
Total	\$10,009	100.0%	100.0%





Kentucky Retirement Systems

Quarterly Investment Update

Insurance Fund
December 31, 2008

INSURANCE	QTD	Fiscal Y-T-D	1 Yr Ended	3 Yrs Ended	5 Yrs Ended	10 Yrs Ended
Total Fund						
KRS	-17.87%	-26.54%	-32.95%	-5.59%	0.58%	1.83%
Blended Index	-18.86%	-28.18%	-34.19%	-6.44%	-0.28%	1.07%
Equities						
Domestic Equities	-21.30%	-27.46%	-35.58%	-7.92%	-1.50%	0.03%
Performance Benchmark	-22.37%	-28.80%	-36.71%	-8.31%	-1.86%	-0.85%
Non-U.S. Equities	-19.21%	-35.10%	-41.97%	-6.08%	2.72%	-1.80%
Performance Benchmark	-20.66%	-37.44%	-44.13%	-7.51%	1.59%	-2.72%
Total Equities	-20.55%	-30.36%	-37.91%	-7.62%	-0.47%	0.43%
Performance Benchmark	-21.60%	-32.54%	-39.89%	-8.59%	-1.33%	-0.30%
Fixed Income						
TIPS	-2.59%	-5.84%	-0.98%	3.52%	4.36%	6.00%
Performance Benchmark	-3.48%	-6.89%	-2.35%	3.06%	4.07%	5.88%
Alternatives						
KRS	-11.74%	-16.04%	-18.27%	-0.22%	4.55%	4.90%
Performance Benchmark	-21.47%	-28.07%	-34.67%	-7.74%	-1.61%	-0.70%
Cash						
KRS	0.07%	0.68%	2.33%	4.59%	3.85%	3.83%
Performance Benchmark	0.25%	0.68%	1.80%	3.76%	3.10%	3.30%

Actual V. Target Deviation
Insurance as of 12/31/2008

	\$'s (millions)	Actual %	Target %
U.S. Equity	\$918	47.2%	40.0%
Non-U.S. Equity	447	23.0%	30.0%
TIPS	212	10.9%	12.0%
Alt. Assets	172	8.8%	15.0%
Cash	197	10.1%	3.0%
Total	\$1,946	100%	100.0%

